

ND STATE BONDING FUND

State Investment Board Balance Sheet As of 6/30/2006

	As of <u>6-30-06</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 675,413	\$ 659,209
INTERNATIONAL EQUITIES	257,685	269,497
DOMESTIC FIXED INCOME	1,477,340	1,406,932
INVESTED CASH (NOTE 1)	<u>264,291</u>	<u>254,366</u>
TOTAL INVESTMENTS	2,674,729	2,590,004
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	30,601	30,157
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	550,596	562,973
DUE FROM OTHER AGENCIES (NOTE 3)	<u>0</u>	<u>380</u>
TOTAL ASSETS	<u>\$ 3,255,926</u>	<u>\$ 3,183,514</u>
LIABILITIES:		
ACCOUNTS PAYABLE	1,560	1,842
SECURITIES LENDING COLLATERAL (NOTE 2)	550,596	562,973
DUE TO OTHER AGENCIES (NOTE 4)	<u>108</u>	<u>0</u>
TOTAL LIABILITIES	552,264	564,815
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	2,618,699	3,772,597
CASH IN DURING YEAR (NOTE 5)	0	0
CASH OUT DURING YEAR (NOTE 6)	50,000	1,400,000
NET INCREASE (DECREASE)	<u>134,963</u>	<u>246,102</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>2,703,662</u>	<u>2,618,699</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 3,255,926</u>	<u>\$ 3,183,514</u>

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State Investment Board Profit and Loss Statement For the Month Ended 6/30/2006

	Month Ended <u>6-30-06</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 8,311	\$ 92,974
SECURITIES LENDING INCOME	2,266	20,206
	<u>10,577</u>	<u>113,180</u>
 GAIN ON SALE OF INVESTMENTS	 24,808	 284,530
LOSS ON SALE OF INVESTMENTS	23,590	191,997
	<u></u>	<u></u>
NET GAINS (LOSSES) INVESTMENTS	1,218	92,533
 INVESTMENT EXPENSES	 118	 6,295
SECURITIES LENDING EXPENSES	2,160	19,272
SIB ADMIN EXPENSES	212	988
	<u></u>	<u></u>
NET INVESTMENT INCOME	9,305	179,158
 NET APPREC (DEPREC) MARKET VALUE	 (7,319)	 (44,314)
MISCELLANEOUS INCOME/(EXPENSE)	(6)	119
	<u></u>	<u></u>
TOTAL INVESTMENT INCOME	1,980	134,963
	<u></u>	<u></u>
NET INCREASE (DECREASE)	\$ 1,980	\$ 134,963
	<u></u>	<u></u>

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State Investment Board SUPPLEMENTARY INFORMATION As of 6/30/2006

	As of <u>6/30/06</u>
ASSETS:	
INVESTMENTS (AT COST)	
LARGE CAP EQUITY	\$543,717
SMALL CAP EQUITY	165,990
CONVERTIBLE BONDS	<u>(0)</u>
TOTAL DOMESTIC EQUITIES	709,707
INTERNATIONAL EQUITY	207,219
FIXED INCOME	1,471,881
INVESTED CASH (NOTE 1)	<u>264,291</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$2,653,097</u></u>

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Notes To Financial Statements
June 30, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.